

AMENDED IN SENATE MARCH 28, 2016

**SENATE BILL**

**No. 1416**

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**Introduced by Senator Stone**

February 19, 2016

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*An act to add Article 4 (commencing with Section 18735) to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to the Salton Sea.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1416, as amended, Stone. ~~Salton Sea restoration. Personal income taxes: voluntary contribution: the Salton Sea.~~

*Existing law allows an individual taxpayer to contribute amounts in excess of his or her personal income tax liability for the support of specified funds.*

*This bill would allow an individual to designate on his or her tax return that a specified amount in excess of his or her tax liability be transferred to the Revive the Salton Sea Fund, which would be created by this bill. The bill would require the Franchise Tax Board to revise the tax return form to include a space for the designation of contributions to the fund and to include specified information, including the purposes for which the contribution would be used.*

*This bill would require money contributed to the fund, upon appropriation by the Legislature, to be allocated to the Franchise Tax Board and the Controller for reimbursement of costs, as provided, and to the nonprofit corporation Revive the Salton Sea to fund or supplement funding of the state, county, and local agencies and projects identified as necessary for the restoration and maintenance of the Salton Sea and to develop a mechanism to provide ongoing public awareness, as specified.*

~~The Salton Sea Restoration Act requires the Secretary of the Natural Resources Agency, in consultation and coordination with the Salton Sea Authority, to lead Salton Sea restoration efforts. The act authorizes the authority to lead a feasibility study, in coordination and under contract with the secretary, as prescribed. The act requires the secretary to seek input from the authority with regard to specified components of restoration of the Salton Sea.~~

~~This bill would state the intent of the Legislature to enact legislation to clean up the Salton Sea.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Article 4 (commencing with Section 18735) is*  
2     *added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and*  
3     *Taxation Code, to read:*

4  
5             *Article 4. Revive the Salton Sea Fund*  
6

7     *18735. (a) An individual may designate on the tax return that*  
8     *a contribution in excess of the tax liability, if any, be made to the*  
9     *Revive the Salton Sea Fund established by Section 18736. That*  
10    *designation shall be used as a voluntary contribution on the tax*  
11    *return.*

12    *(b) The contributions shall be in full dollar amounts and may*  
13    *be made individually by each signatory on a joint return.*

14    *(c) A designation under subdivision (a) shall be made for a*  
15    *taxable year on the original return for that taxable year and once*  
16    *made shall be irrevocable. If payments and credits reported on*  
17    *the return, together with any other credits associated with the*  
18    *individual's account, do not exceed the individual's tax liability,*  
19    *the return shall be treated as though no designation has been*  
20    *made.*

21    *(d) The Franchise Tax Board shall revise the form of the return*  
22    *to include a space labeled "Revive the Salton Sea Fund" to allow*  
23    *for the designation permitted under subdivision (a). The form shall*  
24    *also include in the instructions information that the contribution*  
25    *may be in the amount of one dollar (\$1) or more and that the*  
26    *contribution shall be used to fund all of the following:*

1     (1) *Programs to create statewide public awareness and*  
2     *grassroots support for the restoration of the Salton Sea.*

3     (2) *Programs to engage the public through promotion and*  
4     *education about the Salton Sea.*

5     (3) *Current and future projects identified as necessary for*  
6     *restoration and maintenance of the Salton Sea, including projects*  
7     *identified by the Salton Sea Authority.*

8     (e) *A deduction shall be allowed under Article 6 (commencing*  
9     *with Section 17201) of Chapter 3 of Part 10 for any contribution*  
10    *made pursuant to subdivision (a).*

11    18736. *There is hereby established in the State Treasury the*  
12    *Revive the Salton Sea Fund to receive contributions made pursuant*  
13    *to Section 18735. The Franchise Tax Board shall notify the*  
14    *Controller of both the amount of money paid by taxpayers in excess*  
15    *of their tax liability and the amount of refund money that taxpayers*  
16    *have designated pursuant to Section 18735 to be transferred to*  
17    *the Revive the Salton Sea Fund. The Controller shall transfer from*  
18    *the Personal Income Tax Fund to the Revive the Salton Sea Fund*  
19    *an amount not in excess of the sum of the amounts designated by*  
20    *individuals pursuant to Section 18735 for payment into that fund.*

21    18737. (a) *All money transferred to the Revive the Salton Sea*  
22    *Fund, upon appropriation by the Legislature, shall be allocated*  
23    *as follows:*

24    (1) *To the Franchise Tax Board and the Controller for*  
25    *reimbursement of all costs incurred by the Franchise Tax Board*  
26    *and the Controller in connection with their duties under this article.*

27    (2) (A) *The remaining moneys shall be distributed to Revive*  
28    *the Salton Sea, a California corporation that is duly incorporated*  
29    *in the state, in active status, as described on the business search*  
30    *page of the Secretary of State's Internet Web site, and is exempt*  
31    *from federal income taxation as an organization described in*  
32    *Section 501(c)(3) of the Internal Revenue Code, to be used to fund*  
33    *or supplement funding of state, county, and local agencies and*  
34    *projects identified as necessary for the restoration and maintenance*  
35    *of the Salton Sea, including projects identified by the Salton Sea*  
36    *Authority.*

37    (B) *Up to 5 percent of the funds allocated to the Revive the*  
38    *Salton Sea Fund shall be used for the development of a mechanism*  
39    *to provide ongoing public awareness through activities that will*  
40    *promote the charitable tax deduction for the fund and seek*

1 *continued contributions. These activities may include convening*  
2 *a philanthropic roundtable, developing literature for use by city,*  
3 *county, or local agencies and programs, and whatever other*  
4 *activities are deemed necessary and appropriate to promote the*  
5 *fund.*

6 *(b) No money in the Revive the Salton Sea Fund shall be used*  
7 *to supplant state General Fund money for any purpose.*

8 ~~SECTION 1. It is the intent of the Legislature to enact~~  
9 ~~legislation to clean up the Salton Sea.~~